



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|--|-------------|------------------------|---------------------|------------------|
| 10/625,000 | 07/22/2003 | Gary William Flake | 600189-148 | 8179 |
| 76/041 7590 06/15/2009 YAHOO! INC. C/O Ostrow Kaufman & Frank LLP The Chrysler Building 405 Lexington Avenue, 62nd Floor NEW YORK, NY 10174 | | | | |
| EXAMINER KARDOS, NEIL R | | | | |
| ART UNIT 3623 | | PAPER NUMBER | | |
| MAIL DATE 06/15/2009 | | DELIVERY MODE PAPER | | |

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/625,000

Applicant(s)

FLAKE ET AL.

Examiner

Neil R. Kardos

Art Unit

3623

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 February 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-7 and 9-14 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-7 and 9-14 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-8508)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

This is a **FINAL** Office Action on the merits in response to communications filed on February 25, 2009. Claims 1 and 13 have been amended. Currently, claims 1-7 and 9-14 are pending and have been examined.

Response to Arguments

Applicant's arguments filed on February 25, 2009 have been fully considered but they are not persuasive. Applicant argues that Skinner, Marks, and Hanson do not teach or suggest "obtaining quantitative data associated with the concept, wherein the concept comprises a set of search terms relating to a common theme, wherein a granularity of the set of search terms relating to the common theme of the concept is defined." (See Remarks, pages 9-10). Examiner respectfully disagrees.

Marks discloses a pyramid structure of search terms (see figures 2A-2C) where the terms at the top of the pyramid are general terms, and the specificity of the terms increases down successive levels of the pyramid. For example, figure 2B depicts the general term "Food" at the top of the pyramid, followed by more specific terms "Breakfast" and "Restaurant" at the middle level of the pyramid, followed by more specific terms "Donut," "Bagel," "Muffin," etc. at the bottom of the pyramid. (See also ¶ 10, disclosing specific target points at the bottom of the pyramid and more general target points toward the top; ¶ 47, explaining the figure). Paragraphs 27-29 describe the process of defining the granularity of the search terms. The list provider determines the number of "handle levels" (and thus the granularity of the terms) as well as the upper level target points (i.e. search terms) and their respective correlations to lower level target

points. Thus, Marks discloses defining a granularity of the set of search terms relating to a common theme.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-7 and 9-14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Skinner (US 2003/0105677) in view of Marks (US 2001/0051911), and further in view of Hanson, "Idea Futures: Encouraging and Honest Consensus."

Claim 1: Skinner discloses in a computerized system for allowing transactions in instruments, the instruments being capable of being valued based on values of term-based concepts, and terms of the concepts being useable in computerized searches, a method for valuing a concept, the method comprising:

- obtaining quantitative data associated with the concept (see ¶ 38; ¶ 12: lines 1-9, disclosing tracking search terms to determine effectiveness based on a number of impressions, number of clicks, and number of sales);
- electronically operating on the quantitative data to produce a quantitative statistic by using at least one of: a total revenue per period calculation; a median revenue per period calculation; an average revenue per period calculation; an average of median bidded price calculation; a median of median clicked price calculation;

and a median click calculation (see id., disclosing analyzing the data as well as collecting it; ¶ 41, disclosing the amount of a purchase); and

- electronically determining a value of the concept based at least in part on the produced statistic such that the value is used in the computerized system allowing transactions in the instruments (see id., disclosing determining the search terms effectiveness to advertising and marketing; paragraphs 12 and 37, disclosing using the value in a computer).

Skinner also discloses wherein the concept comprises a set of search terms relating to a common theme. Moreover, Marks discloses a more narrow interpretation of this limitation (see figures 2A and 2B; ¶ 10). Skinner does not disclose wherein a granularity of the set of search terms relating to the common theme of the concept is defined. However, Marks discloses this limitation (see figures 2A-2C; ¶¶ 10, 27-29, and 40). Skinner and Marks are both directed to bidding and ranking in search engines. It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine the bidding system of Marks (including “concept” groupings) and the bidding system of Skinner. One of ordinary skill in the art would have been motivated to do so for the benefit of efficiencies gained by purchasing a group of key words rather than individual key words (see e.g. Marks, ¶ 3).

Examiner takes Official Notice that all of the claimed quantitative statistics were well-known in the art at the time the invention was made. Further, it would have been obvious to one of ordinary skill in the art at the time the invention was made to use the claimed quantitative statistics to determine Skinner’s search term’s effectiveness. One of ordinary skill in the art

would have been motivated to do so for the benefit of tailoring their bidding decision to what they believe is the most accurate measure of effectiveness.

Skinner does not explicitly disclose electronically determining a value of one or more instruments based at least in part on the value of the concept. Hanson discloses an “idea futures market” wherein people would exchange coupons representing concepts (see at least “Procedures” section on page 6). It would have been obvious to one of ordinary skill in the art at the time the invention was made to apply Hanson’s idea futures market to the search-term based concepts of Skinner and Marks. One of ordinary skill in the art would have been motivated to do so for the benefit of increased accuracies in valuing search terms (see also “Advantages” beginning on page 7).

Claim 2: Skinner discloses wherein obtaining quantitative data associated with the concept comprises obtaining quantitative data associated with the demand for one or more of the terms of the set of search terms (see ¶¶ 12 and 37-38, disclosing obtaining demand based on impressions, clicks, and sales; ¶ 48, disclosing obtaining competitor demand information).

Claim 3: Skinner discloses wherein obtaining quantitative data associated with the concept comprises obtaining quantitative data associated with the demand for one or more of the terms of the set of search terms for use in advertising (see ¶¶ 12 and 38, disclosing obtaining data related to advertising and marketing).

Claim 4: Skinner discloses measuring the demand for use in advertising based on one or more amounts paid for use in advertising (see ¶ 48, disclosing obtaining competitor bid information).

Claim 5: Skinner discloses measuring the demand for use in advertising based on one or more amounts paid for use in advertising, wherein the use in advertising comprises obtaining one or more rights to have an advertisement included in results from one or more computerized searches using at least one of the terms of the term set (see id.).

Claim 6: Skinner discloses operating on the data by using the data in at least one mathematical formula (see ¶¶ 44-45 and 50-60).

Claim 7: Skinner discloses collecting quantitative data relating to one or more Pay-Per-Click auctions (see ¶¶ 5, 8, 20, and 39).

Claim 9: Skinner discloses taking at least one measure to prevent intentional manipulation of the value of the concept (see ¶ 44, disclosing requiring a minimum threshold of actions to ensure accurate data; ¶ 37: lines 11-12, disclosing removing duplicate data).

Claim 10: Skinner discloses taking at least one measure to maintain liquidity (see ¶¶ 16 and 21, disclosing eliminating bid gaps and preventing overbidding, which serve to maintain liquidity in an advertiser's account).

Claim 11: Skinner does not explicitly disclose operating on the data by using a median click calculation, and comprising omitting from the median click calculation one or more highest and lowest price quantities.

However, Skinner teaches determining a number of clicks per time period (see ¶ 38) and using that to determine a reasonable estimate of the expected clicks for a future time period (see ¶ 43: lines 10-11).

Examiner takes Official Notice that it is well known in the statistical arts to average a set of data, including using a median value, over past time periods in order to determine an expectation for future time periods. Furthermore, Examiner takes Official Notice that it is well known in the statistical arts to omit outliers of highest and lowest values from a median calculation. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use well-known statistical methods in conjunction with the click data disclosed by Skinner. One of ordinary skill in the art would have been motivated to do so for the benefit of a more accurate prediction.

Claim 12: Skinner does not explicitly disclose omitting from the median click calculation the same number of highest price quantities as lowest price quantities. Examiner takes Official Notice that it is well known in the statistical arts to eliminate an equal number of outliers from a median calculation. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use well-known statistical methods in conjunction with the

click data disclosed by Skinner. One of ordinary skill in the art would have been motivated to do so for the benefit of a more accurate prediction.

Claim 13: Claim 13 is substantially similar to claims 1 and 9, and is rejected under similar rationale.

Claim 14: Claim 14 is substantially similar to claim 11 and is rejected under similar rationale.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Neil R. Kardos whose telephone number is (571) 270-3443. The examiner can normally be reached on Monday through Friday from 9 am to 5 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Beth Boswell can be reached on (571) 272-6737. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Neil R. Kardos
Examiner
Art Unit 3623

/Neil R. Kardos/
Examiner, Art Unit 3623
/Jonathan G. Sterrett/
Primary Examiner, Art Unit 3623